

# DESTINATION: Retirement

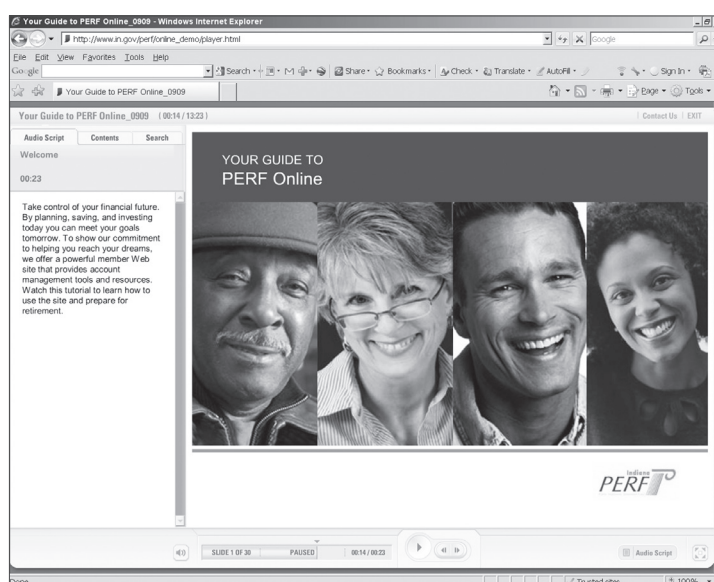
## Asset Allocation Recap

**D**id you know that the Guaranteed Fund option in your Annuity Savings Account (ASA) earns an annual return of 1.75 percent?

Were you aware that your ASA now includes a variety of new investment options including target date funds that do the asset allocation for you?

Some members have not made any changes to their asset allocation since the new investment options were made available in July 2010. This may be on purpose, or perhaps they were not certain of their choices.

To make a confident investment decision, we encourage you to view the online demonstration



The PERF Online demo is available at [www.perf.in.gov](http://www.perf.in.gov).

at [www.perf.in.gov/2656.htm](http://www.perf.in.gov/2656.htm).

You will need to select the link under Online Demonstration to begin.

Remember, you now have the ability to move your ASA balance among new investment options and review your account valuation as

often as daily. To get started, log in to the enhanced PERF Online Web site. You will need your Pension ID (PID) and passcode, both of which were previously mailed to you.

If you do not have your PID or passcode, call our office at (888) 526-1687. You will be

prompted to enter your PID; simply wait until you have been prompted twice. After the second attempt, you will be transferred to a representative who can provide you with this information. Once you have logged on, you will be prompted to change your login information.

To find out more about how to stock up on all the retirement essentials, go online to [www.perf.in.gov](http://www.perf.in.gov) and click on the *Retirement Market* icon.

Or, if you have questions, contact our customer service center at (888) 526-1687. We can be reached Monday through Friday from 8 a.m. to 8 p.m. EST.



Please note that correspondence to PERF should be addressed to One North Capitol, Suite 001, Indianapolis, IN 46204. Please review your documents carefully before mailing to ensure you are sending to the correct address.

- If your document states to return to 143 W. Market St., mail to One North Capitol.
- Correspondence with a P.O. Box should be returned to the P.O. Box.

# Collaboration saves millions

**R**ecent collaboration between the Indiana Public

Employees' Retirement Fund (PERF) and the Indiana State Teachers' Retirement Fund (TRF) has saved \$8.5 million this year and is projected to save more than \$100 million in years to come.

While PERF and TRF now have common leadership and management, the law requires they continue to be managed as separate entities with no merger of the two funds'

assets. However, collaboration on investment decisions has collectively saved the funds millions.

Even as PERF and TRF reduce costs, both funds remain among the most solidly-funded public pension funds in the nation.

The aggregate funded status for all PERF and TRF actuarially prefunded plans was 87.5 percent at the end of the 2010 fiscal year. This is the ratio that measures plan assets as compared to liabilities.

Nationally, state pension plans were funded at about 65 percent according to the *2010 Wilshire Report on State Retirement Systems*.

## Modernizing Together

A collaborative, multi-year project to modernize the systems used to manage pensions and members' Annuity Savings Accounts (ASAs) is also in progress.

More information can be found online at <http://www.perf.in.gov/2706.htm>.

## Another Annuity Savings Account Option

**A**re you interested in making additional contributions to your Annuity Savings Account (ASA)? Check with your employer to see if this savings option is available to you.

If your employer participates, you may choose to make voluntary contributions to your ASA through payroll deductions. Contributions may be made pre-tax or post-tax and must be made in 1 percent increments up to a maximum of 10 percent.

### Criteria for pre-tax voluntary contributions:

- Need five years of PERF-covered service.
- Pre-tax contribution election may not exceed 10 percent of your gross wages.
- This one-time election must occur within a two year period following Aug. 31 of the year you reach five years of service.
- Contribution cannot be changed as long as you work for the same employer in any PERF-covered position.

- If you leave employment and return to the same employer, your contribution will be reinstated.
- Once you agree to a pre-tax voluntary contribution, you cannot make changes later.
- If you work for a different PERF employer, and have not taken an ASA distribution, you will be able to make a new pre-tax contribution decision.

### Criteria for post-tax voluntary contributions:

- Contributions are deducted from your paycheck after

all taxes have been paid on your gross wages.

- Take home pay will be reduced by the total amount contributed.
- Your employer must agree to deduct the amount requested.

You may choose to stop making post-tax voluntary contributions, or change the amount deducted at any time.

If you have questions, please contact us at (888) 526-1687 or via e-mail at [questions@perf.in.gov](mailto:questions@perf.in.gov).



## Q&A – Ask a Consultant

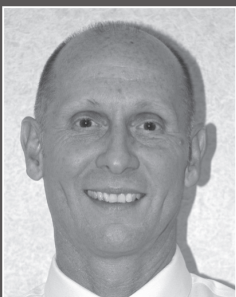
### Q. Does PERF offer survivor benefits?

A. Yes. A surviving spouse or surviving dependent may be entitled to survivor benefits if:

- A member has 10 or more years of creditable service and dies in service, under certain circumstances.
- A member dies out of service while eligible to receive retirement or disability benefits but before applying for them.

If you meet the conditions described above and you

and your spouse had been married for at least two years before your death, your spouse qualifies for a monthly survivor benefit for life. If there is no surviving two-year spouse, the survivor benefit is divided between all surviving dependents who are less than 18 years of age (or older if the dependent(s) are permanently disabled). If there is neither a surviving two-year spouse nor surviving dependents, then no survivor benefit may be paid. If you qualify, contact us toll-free at (888) 526-1687 or via e-mail at [questions@perf.in.gov](mailto:questions@perf.in.gov).



**Jim Neddeff**  
Retirement Services  
Consultant

Based in Fort Wayne, Jim covers the northern region of the state. If you live in that area and would like his help with the retirement process, please call (888) 526-1687 to schedule an appointment.



**The PERF member counseling staff has relocated to the lower level of One North Capitol in Indianapolis.**

All member counseling meetings are held in the new location. This is a combined member service center where both PERF and TRF counseling takes place.

## Explanation of Account Inactivity

**Y**ou previously worked in a PERF-covered position, but didn't take a distribution of your Annuity Savings Account (ASA) when you left. No wages or contributions have been reported for your ASA for the last 10 years. What does that mean? It means your account is inactive.

According to Indiana law, PERF must stop paying interest on any non-vested (not entitled to receive a pension benefit) member's ASA if the member is inactive for 10 or more years.

### If you want to take a distribution of your ASA, you have three options:

- payment directly to you,
- direct rollover,
- or a partial rollover with the balance paid to you

If you do not withdraw or roll over your ASA, your ASA balance will be credited to PERF. You may choose to request it at a later date, but your account will no longer be accruing interest. There is one exception to this 10-year inactive rule. If you move from a PERF-covered position to a non-PERF covered position within the same employer, you are entitled to continue receiving interest for up to 45 years.

More information is available online at [www.perf.in.gov/2698.htm](http://www.perf.in.gov/2698.htm). You may also contact us at [questions@perf.in.gov](mailto:questions@perf.in.gov) or via phone at (888) 526-1687.

# PERF at a Glance

## Indiana Public Employees' Retirement Fund

### Defined Benefit (Pension)

### Annuity Savings Account (ASA)

#### Vesting

10 years of PERF and/or TRF-covered service  
8 years for specified elected positions

Immediate

#### Contributions

##### Employer pays 100%

- No member contributions
- Employer contribution rate determined annually by PERF board

##### Mandatory 3% of gross wages paid by:

- Employer, or
- Employee, or
- Shared by employee and employer

##### Voluntary Contributions

- Employee can elect to contribute additional monies
- Employee's voluntary contributions may be pre-tax if their employer has submitted a resolution to participate and the employee elects to do so within the election window

#### Eligibility for Pension Benefit Payment

- Age 65 with 10 years of service
- Age 60 with 15 years of service
- At age 55 if age and creditable service total at least 85 ("Rule of 85")
- Early retirement with reduced benefits between ages 50-59 with 15 years of service
- Age 70 with 20 years of service\*
- Special provisions for certain elected officials

Automatic eligibility for withdrawal once you separate from service\*\*

#### Eligibility for Disability Benefit Payment

- Qualified for Social Security disability benefits and furnished proof of qualification
- In PERF-covered service at the Social Security disability onset date
- Minimum of five years of service

Automatic eligibility for withdrawal if receiving a disability benefit

#### Investment Options

Members do not direct the investment of the Defined Benefit (pension).

##### Choice of eight funds beginning July 7, 2010:

- Guaranteed Fund
- Money Market Fund
- Fixed Income Fund
- Large Cap Equity Index Fund
- Small/Mid Cap Equity Fund
- International Equity Fund
- Inflation-Linked Fixed Income Fund
- Target Date Funds

\*Actively employed members who have completed at least 20 years of service may apply for retirement benefits at age 70, remain actively employed and receive monthly benefits.

\*\* Certain restrictions may apply if you are vested in a pension benefit.

## Defined Benefit (Pension)

## Annuity Savings Account (ASA)

### Account Statements

Annual member statements are provided to members of PERF. An estimate of benefits is available within one year of retirement. A benefits calculator is available on the Web site [www.perf.in.gov](http://www.perf.in.gov).

Quarterly statements are provided and mailed by PERF.

### Withdrawals Before Retirement

**None** – members are not eligible for the Defined Benefit (pension) until they reach age and service requirements and separate from employment.

#### Effective January 1, 2009

A member who is vested and has separated from employment in a covered position for at least 30 days may withdraw his or her Annuity Savings Account (ASA) and retain his or her pension benefit. If a member is eligible for a reduced or unreduced pension benefit, the member must begin his or her retirement benefit in order to withdraw his or her ASA.

#### Available only when disabled or separated from service

- May leave account invested in PERF, or receive a total distribution
- No partial withdrawals
- Rollover to qualified plan or other eligible retirement account

#### Effective January 1, 2009

A member who is vested and has separated from employment in a covered position for at least 30 days may withdraw his or her Annuity Savings Account (ASA) and retain his or her pension benefit. If a member is eligible for a reduced or unreduced pension benefit, the member must begin his or her retirement benefit in order to withdraw his or her ASA.

### Income and Options at Retirement

#### Monthly benefit for life

- Monthly amount determined by:
  1. Age
  2. Years of service
  3. Average of annual compensation (Final Average Salary) based on 20 quarters
- Taxable as ordinary income
- Survivor designated options are available

#### Choices determine payments

- May choose monthly payment for lifetime benefit
- May defer payment until age 70 1/2
- May choose direct payment or rollover distribution
- Amount of distribution determined by account balance, taxes withheld, and distribution option chosen.

### Beneficiaries

#### Monthly payment

- Following death of retired member under applicable payment options
- Following death of active member in limited circumstances

#### Balance payment

- Receives total accumulated amount after death of active members or retired members who elected to defer payment
- Receives remainder of accumulated amount per retirement payment options chosen by member

## FOR YOUR BENEFIT

This handout is an overview of PERF's plan provisions. Complete details of the fund's provisions are available in the current Member Handbook. You may read it or print your own copy from PERF's Web site at [www.perf.in.gov](http://www.perf.in.gov). You may also request a copy in writing or by calling our toll-free number, (888) 526-1687.

Keep your information current. Report any changes in your name, address or beneficiary choices directly to PERF. This is NOT something your employer can do for you. To change your beneficiary, name or address information, use PERF Online by visiting [www.perf.in.gov](http://www.perf.in.gov).

*Every attempt has been made to verify that the information in this publication is correct and up-to-date. Published content does not constitute legal advice. If a conflict arises between information contained in this publication and the law, the applicable law shall apply.*



# Pre-Retirement Workshops: A Two-Part Session

**A**re you considering retirement within the next 18 months?

If so, please refer to one of the many workshops offered in your area. You can attend either the first half, second half or both halves.

The first half of the workshop focuses on retirement readiness and PERF's two-part retirement benefits plan. If you need help completing

a retirement application, attend the second half of any workshop for a hands-on walkthrough of your application.

To view a list of workshops, go to [www.perf.in.gov](http://www.perf.in.gov). Under "Retirement Education," click "Workshops," then click "Register for a Pre-Retirement Workshop." You will need to click on your region to complete the online registration form.

## By attending a workshop you will receive:

- Information to help you budget for retirement
- A personalized benefit estimate
- Explanation of retirement options
- Step-by-step instructions for completing a retirement application
- Information about working after retirement

- Answers to retirement questions

Workshops begin at 10 a.m. and 2 p.m. You will receive a confirmation in the mail, including the date, time and workshop location that you selected.

If you need to contact PERF for information, please call (888) 526-1687. We are available Monday through Friday from 8 a.m. to 5 p.m. EST. Or, you can contact us at [questions@perf.in.gov](mailto:questions@perf.in.gov).

## Dates to Remember

Here are some dates for submitting retirement applications to PERF. You can find more Dates to Remember online at [www.perf.in.gov](http://www.perf.in.gov).

If your retirement date is:	Apply by:
Aug. 1, 2011	May 1, 2011
Sept. 1, 2011	June 1, 2011
Oct. 1, 2011	July 1, 2011
Nov. 1, 2011	Aug. 1, 2011
Dec. 1, 2011	Sept. 1, 2011
Jan. 1, 2012	Oct. 1, 2011

## Pay Attention to PERF!

Keep your name, address and beneficiary information up-to-date. Visit [www.perf.in.gov](http://www.perf.in.gov), select Member Login and log in to PERF Online. Download the correct form online under Documents and Forms, or call (888) 526-1687 to request a form. Complete and sign the form and mail or fax to PERF.

*The Indiana Public Employees' Retirement Fund is an independent body, corporate and politic. The fund is not a department or agency of the state of Indiana, but is an independent instrumentality exercising essential government functions. (Indiana Code 5-10.2-2-1, 5-10.3-2-1(b))*

*We advance the achievement of retirement security for current and future retirees and beneficiaries through our delivery of operational and investment excellence, exemplary customer service and trusted stakeholder communication.*

**Governor**  
Mitch Daniels

**Executive Director**  
Steve Russo

*Every attempt has been made to verify that the information in this newsletter is correct and up-to-date. Published content does not constitute legal advice. If a conflict arises between information in this publication and the law, the applicable law shall apply.*

